

**Gray Head @ Telluride POA
Minutes for Annual Meeting
August 30, 2011 (Tuesday)**

Draft

Held at Steve Catsman's office at 135 W. Colorado Avenue, Telluride, Co.

1. Call to Order:

The meeting was called to order at 9:05 a.m.

2. Roll call and determination of a quorum:

Owners attending:

Steve & Terry Catsman

Ian Sanders

Susan Hepner

Stuart Ross (via conference call)

Ralph Booth (via conference call)

Michael Phelan (via conference call)

Steve Mawer (via conference call)

Harry Coplan (via conference call)

Rohan Fernando (via conference call)

Barney and Carol Barnett (via conference call)

John Morgan (via conference call at 9:28 a.m.)

Proxies:

Steve and Donna Mawer - to Susan Hepner

Carl Ferenbach – to Steve Catsman

GHDC – to Steve Catsman

Others present:

Stephanie Fanos, lawyer for the POA

Roberta Peterson, CPA for the POA

Owners of 22 lots out of 23 lots were represented either in person or proxy, so there was a quorum.

3. Caretakers and maintenance update:

Karen Brown said they are now getting a good hold on things since starting their new job on May 1st. The HOA cabin and the caretaker's cabin, where Karen lives, are in good shape. In the fall they will paint the window trim and re-grout the patio by the grill. New flowers have been planted around the cabin and the lawns are doing well. The trail signs have been painted and they have started maintaining the most used trails.

They will be issuing a newsletter four times a year in March, June, September and December. Owners can communicate through the blog which includes a slide

show and the newsletter. There's a place on the blog for owners to communicate direct with the caretakers.

Since the Excursion was sold in June, dial-a-ride can be provided by Telluride Express which provides taxi service until 2:00 a.m. for \$15 for one person and \$2 for each person after that. They can accommodate up to 6 to 8 people. Alpine Limo provides private shuttles.

In the fall, the snow fence will be replaced, the tennis nets will be taken down and the hockey nets installed. Next year they will set up a greenhouse for interactive use by the owners.

Karen invited the owners to visit the maintenance shed for a tour with Jon and a tour of the caretaker's cabin and office with Karen. She is keeping logs of their daily activities if anyone would like to see them.

Jon Hubbard has been keeping up with the County for road maintenance. The wash boards are bad. He has been going thought the equipment and getting services up to date. All equipment is being kept in the maintenance barn. The field has been sodded, seeded and graded. The hockey area is now draining properly. He feels everything is now more organized and cleaner than in the past.

Stuart said they are doing a fantastic job and they are both great to work with. There were good comments for the caretakers from all owners.

4. Election of directors:

There are four seats up for election. Two two-year term seats currently held by Michael Phelan and Susan Hepner, and two one-year seats currently held by Stuart Ross and Steve Catsman. Ralph Booth is servicing a three year term which is up next year.

Stuart nominated Michael, Susan Hepner and Steve Catsman. Michael Phelan nominated Stuart Ross. Steve Catsman nominated Carol Barnett.

Stephanie said we would need to vote by secret ballot since there are five nominations for four seats. She handed a ballot to owners in attendance and emailed a ballot to all other owners. Owners are to return the ballots to Mona in Roberta's office by 11:00 a.m. today by email or fax. Roberta will report the results.

(Roberta verified after the meeting that the following directors were elected:

Stuart Ross – 19 votes - two year term
Steve Catsman – 19 votes - two year term
Carol Barnett – 16 votes - one year term
Michael Phelan – 15 votes - one year term)

(John Morgan joined the meeting at 9:28 a.m.)

5. Approve annual meeting minutes for November 4, 2010 and November 30, 2010:

Stuart asked all owners if they approved the minutes. All owners approved.

6. Lot 17 refinancing update:

Stephanie and David Larsen with GHDC are working on the “release of deed of trust” and “satisfaction of obligation agreement”. Gaylene of Land Title is preparing the necessary documents for the payoff to GHDC. Roberta will deliver a check to Land Title for the funds received by Gray Head POA when the documents are complete. The owners who are delinquent on the special assessment have been offered a six month loan by GHDC.

Susan asked Stephanie to verify the ownership of Lot 17. Stephanie said the lot was acquired as a general common element (GCE) and is included as such on the 9th supplemental map. San Miguel County bills each GH owner for their share of Lot 17 real property taxes instead of sending the POA a separate real property tax bill. Stephanie said that if the owners agreed to sell the lot, they could reverse this designation as a general common element and re-designate it as a free market lot.

Susan said the POA should either:

- decide that Lot 17 will always be a GCE and can never be sold, then the value of Lot 17 goes to each owner, or
- preserve the right to sell and put the land into an LLC where each owner has some kind of equity in the event of an eventual sale.

These options should be put out to all owners for consideration and voting. Stuart said this could be added to the agenda for the Board’s December 1st meeting. Stephanie said she will come up with suggestions on how to accomplish these goals, e.g. a restrictive covenant to restrict the sale of the lot. Ian said Lot 17 should also never be leveraged for a loan in the future. Stephanie said the declaration could be amended to have unanimous consent in order to borrow against the lot.

(Steve Mawer left the meeting at 9:45 a.m.)

Steve Catsman said the lot was recently appraised at \$3.9 million.

The discussion will be continued at the next BOD meeting.

7. Review approval of revised 9th Supplementary Common Interest Community Map:

Stephanie said the map was approved by DRB previously in 2009, however, some lot lines have been moved and building envelopes have moved and she wanted to have the 9th supplement re-approved to incorporate these changes.

Carol Barnett made a motion to approve the 9th supplementary common interest community map and authorize the President to execute in the map and a supplement to the Declaration to accompany the map which will be recorded in the public records to reflect the new lot re-designations. Michael Phelan seconded the motion. Motion carried.

8. Policy for delinquent dues:

The Board agreed to the following policy at their 8/22/11 meeting:

“After 30 days delinquent, the board will send notice of delinquency and penalties due to the owner. After the next 30 to 45 days, the Board will send a “notice of lien” to the owner. The owners will be billed \$1,000 per lot per month for each month for any dues delinquent more than 30 days.”

This policy allows for a 60 to 75 day grace period. The owners can always request for more time from the Board. The Board will decide what action to take on each case and will work with the owners to get them current.

Stephanie said the lien is statutory. The POA needs to enforce the lien by either:

- Foreclosing on the lien, or
- Commencing collection action.

Commencing collection action involves filing a lawsuit with district court. The POA gets a judgment that can be filed against other properties owned by the delinquent owner.

Delinquent owners cannot participate in any vote for the POA.

9. Review August actual vs. budget comparison and 2012 proposed budget:

Stephanie said the budget proposed by the Board stands unless 67% of the owners do not approve. Stuart said the proposed 2012 budget would reduce dues to \$900 per lot per month.

John Morgan did not receive the budget that was sent on Friday due to power problems created by hurricane “Irene”. Stephanie forwarded him a new copy.

Stuart did a roll call with all owners regarding approval of the 2012 budget. All owners approved.

10. Film Festival brunch event:

Telluride Film Festival will be holding their patron brunch at GH on September 2 (Friday) in exchange for 10 brunch tickets and 25 theatre tickets to the big three theatres. Karen has circulated an email to all owners about the theatre tickets. Terry said the theatre tickets have been used up in the past. Steve Catsman said he never attends the film festival but the Gray Head patron brunch is becoming a “tradition”.

All owners spoke in support of the event. Susan said it is a wonderful tradition and she thinks all owners should be able to attend the brunch. A list of all owners could be given to the Film Festival and a count of owners attending could be provided to them prior to the event. Ian said each owner should be allowed two tickets. All owners agreed.

The Film Festival brunch is an event in addition to the five big events that are charged the \$5,000 fee each. Owners are allowed events on Lot 17 at no charge.

(Harry Coplan left the meeting at 10:17 a.m.)

11. Other Business:

Stuart has talked with Roudy with Telluride Horseback Adventures. He is going to be operating at Gray Head for another couple years then he will be retiring. He is not asking for anything from the POA.

Rohan asked about delinquent owners. Roberta said that John Morgan is the only owner delinquent on regular monthly assessments.

12. Adjournment:

There being no other business, the meeting was adjourned at 10:25 a.m.